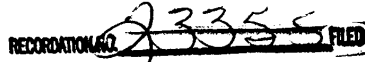




First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018-4214
Tel 847 318-7575
Fax 847 318-7588

VIA UPS NEXT DAY AIR

January 18, 2001



Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

JAN 23 '01

12-37 PM

SURFACE TRANSPORTATION BOARD

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated October 12, 2000, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Midwest Railcar Corporation
9876 213th Avenue NW
Elk River, MN 55330

A description of the railroad equipment covered by the enclosed document is sixty-four (64) 52'6", 2743 cubic foot mill gondolas, with car numbers NDYX 486-550, inclusive.

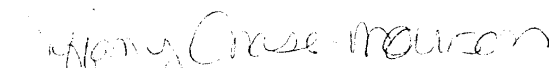
A short summary of the document to appear in the index follows:

Memorandum of Lease between First Union Rail Corporation, Lessor and Midwest Railcar Corporation, Lessee, covering 64 52'6", 2743 cubic foot mill gondolas, with car numbers NDYX 486-550, inclusive.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,


Tiffany Chase-Morrison
Manager of Documentation

Enclosures

(MIRA001)

RECORDATION NO. 23355 FILED

ASSGN. NO.: MIRA001

MEMORANDUM OF LEASE JAN 23 '01

12-37 PM

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 12th day of October, 2000, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Midwest Railcar Corporation ("Lessee"), a Illinois corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of October 2, 2000, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of October 1, 2000, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: Richard F. Seymour

Name: RICHARD F. SEYMOUR
Vice President Sales & Marketing

Title: _____

By: K.A. Dombrowski

Name: K.A. DOMBROWSKI

Title: DIRECTOR OF DOCUMENTATION

Executed on this 12th day of October, 2000.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

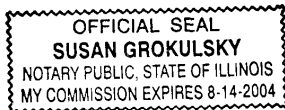
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 12th day of October, 2000.

Susan Grokulska
Notary Public

My Commission Expires:

8-14-2004
(Notary Public)



LESSEE:

MIDWEST RAILCAR CORPORATION

ATTEST:

By: [Signature]
Name: ANN M MURPHY
Title: SECRETARY

By: [Signature]
Name: Richard M. Murphy
Title: President

Executed on this 2 day of October, 2000.

[CORPORATE SEAL]

STATE OF Minnesota

COUNTY OF Sherburne

I, Dawn Nordeen, a Notary Public of the County and State aforesaid, certify that Richard M. Murphy personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 2 day of October, 2000.

[Signature]
Notary Public

Commission Expires:

January 31, 2005
(Notary Public)

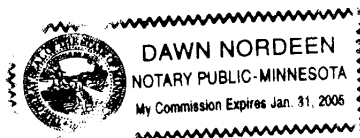


EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Sixty-four (64)

DESCRIPTION OF CARS: Mill Gondolas - 52'6", 2743 cfc, 110-ton nominal
capacity and 286,000 GWR

CAR NUMBERS: See below:

NDYX 486	NDYX 508	NDYX 531
NDYX 487	NDYX 509	NDYX 532
NDYX 488	NDYX 510	NDYX 533
NDYX 489	NDYX 511	NDYX 534
NDYX 490	NDYX 512	NDYX 535
NDYX 491	NDYX 513	NDYX 536
NDYX 492	NDYX 514	NDYX 537
NDYX 493	NDYX 515	NDYX 538
NDYX 494	NDYX 516	NDYX 539
NDYX 495	NDYX 517	NDYX 540
NDYX 496	NDYX 519	NDYX 541
NDYX 497	NDYX 520	NDYX 542
NDYX 498	NDYX 521	NDYX 543
NDYX 499	NDYX 522	NDYX 544
NDYX 500	NDYX 523	NDYX 545
NDYX 501	NDYX 524	NDYX 546
NDYX 502	NDYX 525	NDYX 547
NDYX 503	NDYX 526	NDYX 548
NDYX 504	NDYX 527	NDYX 549
NDYX 505	NDYX 528	NDYX 550
NDYX 506	NDYX 529	Count: 64
NDYX 507	NDYX 530	